

Service Date June 11, 1974

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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In the Matter of the application of	)	
PACIFIC POWER & LIGHT COMPANY for	)	
authority to issue unsecured promissory	)	
notes pursuant to a Line of Credit in	)	
an aggregate principal amount not	)	DOCKET NO. 6227
exceeding \$65,000,000 at any one time	)	
outstanding and to issue unsecured	)	ORDER NO. 4138
promissory notes in the form of	)	
Commercial Paper in an aggregate	)	
principal amount not exceeding \$60,000,000	)	
at any one time outstanding.	)	

On May 15, 1974, PACIFIC POWER & LIGHT COMPANY, a corporation organized and existing under and by virtue of the laws of Maine, and qualified to transact business in the state of Montana, hereinafter called the Applicant, filed with the Public Service Commission of Montana, its verified application, pursuant to Title 70-117.1 to 70-117.6, RCM 1947, requesting an order for authority to issue its unsecured promissory notes pursuant to a Line of Credit in the aggregate principal sum not exceeding \$65,000,000 at any one time outstanding and to issue its unsecured promissory notes in the form of Commercial Paper in the aggregate principal sum not exceeding \$60,000,000 at any one time outstanding.

It is alleged in the application that the Applicant is a public utility as defined by Title 70-103, RCM 1947, in that it furnishes electric and water service in Montana; that Applicant's principal executive office is in the Public Service Building, Portland, Oregon 97204; that its Montana offices are located in Kalispell, Montana; and that Applicant is qualified to do business in the states of Montana, Washington, Oregon, California, Idaho and Wyoming.

The securities proposed to be issued are as follows:

(1) Applicant has established a Line of Credit (Exhibit D) in the aggregate amount of \$65,000,000 with the fourteen Banks listed below. The amount of the Line of Credit with each of the Banks is:

Morgan Guaranty Trust Company of New York . . . .	\$12,000,000
The Chase Manhattan Bank (National Association) . .	11,000,000
First National City Bank . . . . .	8,000,000
First National Bank of Oregon . . . . .	5,000,000
United States National Bank of Oregon . . . . .	5,000,000
The Bank of California (National Association) . . . . .	5,000,000
Wells Fargo Bank (National Association) . . . . .	4,500,000
Bank of America National Trust and Savings Association . . . . .	3,000,000
Continental Illinois National Bank and Trust Company of Chicago . . . . .	3,000,000
Manufacturers Hanover Trust Company . . . . .	3,000,000
The National Bank of Commerce of Seattle . . . . .	2,000,000
Harris Trust and Savings Bank . . . . .	2,000,000
Seattle-First National Bank . . . . .	\$ 1,000,000
The Oregon Bank . . . . .	<u>500,000</u>
Total . . . . .	\$65,000,000

Pursuant to oral arrangements, borrowings under the Line of Credit will be evidenced by unsecured promissory notes in an aggregate principal amount not exceeding \$65,000,00 at any one time outstanding. Each note will be dated the day of issuance, will mature three months after its date or on December 31, 1975, whichever is earlier, and will bear interest at a rate per annum equivalent to the prime commercial rate of interest charged by the payee Bank from time to time. Applicant shall have the right to prepay, without penalty, the whole or any part of the notes outstanding under the Line of Credit. The term of the Line of Credit is for 18 months terminating December 31, 1975, but any or all participating Banks may terminate its or their participation upon notice to Applicant.

(2) Unsecured promissory notes in an aggregate principal amount not exceeding \$60,000,000 at any one time outstanding will be issued and sold by Applicant to one or more Commercial Paper dealers. Each note issued as Commercial Paper will be dated the day of

issuance, will have a maturity of not more than 270 days from the date thereof, and will be discounted at the rate prevailing at the time of issuance for Commercial Paper of comparable quality and maturity. Each note will have a fixed maturity and will not contain any provision for automatic extension, renewal or "roll over," and the proceeds from the sale of the notes will be used to finance current transactions, including the interim financing of Applicant's construction program. To conform to the current interpretation of the exemption provided by Section 3(a) (3) of the Securities Act of 1933, Applicant intends not to issue such Commercial Paper if the issuance thereof would cause the aggregate principal amount of Applicant's Commercial Paper to be then outstanding to exceed 25% of Applicant's gross operating revenues for the preceding 12-month period.

Gross proceeds to be received by Applicant from the issuance of notes under the Line of Credit and in the form of Commercial Paper will not at any one time exceed \$125,000,000 in aggregate principal amount. Expenses in connection with the issuance of notes are estimated at \$15,000.

Proceeds from the sale of the notes, less expenses of issuance, will be used to temporarily finance current transactions, including Applicant's 1974-1975 construction expenditures presently estimated at \$561,987,000 (Exhibit F). The balance of funds required to meet estimated 1974-1975 construction expenditures is expected to come, in part, from funds to be generated internally, from borrowings pursuant to a Letter Agreement dated March 18, 1974, with certain Banks therein named providing for a revolving stand-by loan facility not exceeding \$35,000,000 at any one time outstanding (Docket No. 6220, Order No. 4134) and from permanent financing of a type and magnitude not yet finally determined.

Having fully considered the application and all the files and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following

#### FINDINGS OF FACT

1. That the Applicant, Pacific Power & Light Company, is a corporation organized and

existing under and by virtue of the laws of the state of Maine, and is qualified to transact business in the state of Montana.

2. That the Applicant is operating as a "public utility" as defined in Title 70-103, RCM 1947, and as such is engaged in furnishing electric and water service in the state of Montana.

3. That the Commission has jurisdiction over the subject matter of said application under Titles 70-117.1 through 70-117.6, RCM 1947, in that the securities proposed to be issued by Applicant will have a maturity of less than one year, but the aggregate of \$125,000,000 of the notes proposed to be issued, together with other notes of Applicant having a maturity of less than one year, exceeds five per cent (5%) of the par value of Applicant's other securities.

4. That the securities transactions proposed by the Applicant, as hereinafter authorized, will be for a lawful purpose and are consistent with the public interest; that the objects are necessary, appropriate and consistent with the proper performance by Applicant of service as a public utility and will not impair its ability to perform that service.

5. That public notice of the filing of said application and a formal hearing thereon is not required and that the application should be approved as hereinafter ordered.

### CONCLUSION

The Commission concludes that the application of Pacific Power & Light Company should be granted as hereinafter ordered.

### ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its offices at 1227 11th Avenue, Helena, Montana, on May 29, 1974, there being present Chairman Louis G. Boedecker, Commissioner Ernest C. Steel and Commissioner \_\_\_\_\_, there regularly came before the Commission for final action, the matters and things in Docket No. 6227, and the Commission being fully advised in the premises;

IT IS HEREBY ORDERED that the application of Pacific Power & Light Company for authority to issue and sell:

- (1) unsecured promissory notes pursuant to a Line of Credit (Exhibit D) in an aggregate principal amount not exceeding \$65,000,000, and to bear interest at a rate per annum equivalent to the prime commercial rate of interest charged by the payee bank from time to time, and
- (2) unsecured promissory notes in the form of Commercial Paper in an aggregate principal amount not exceeding \$60,000,000 at any one time outstanding and to be discounted at the rate prevailing at the time of issuance for Commercial Paper of comparable quality and maturity,

be, and the same hereby is, approved.

IT IS FURTHER ORDERED that Pacific Power & Light Company shall file with this Commission copies of all reports it files with the Federal Power Commission relating to the issuance and sale and the use of proceeds from the sale of the notes herein authorized by the Commission to be issued.

Neither the issuance of securities by Pacific Power & Light Company pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the state of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

The foregoing order was adopted by the Public Service Commission of the State of Montana.

DONE IN OPEN SESSION at Helena, Montana, this 29, day of May, 1974.

\_\_\_\_\_, Chairman  
LOUIS G. BOEDECKER

\_\_\_\_\_, Commissioner  
ERNEST C. STEEL

\_\_\_\_\_, Commissioner

ATTEST:

GAIL E. BEHAN  
Secretary

(SEAL)